Message Text

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NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 NSCE-00

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TO AMEMBASSY ANKARA IMMEDIATE

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C O N F I D E N T I A L STATE 039079 TOSEC 040061

E.O. 11652: GDS

TAGS: PFOR, TU, GR

SUBJECT: HOUSE COMMITTEE MARKS UP AMENDMENT ON ASSISTANCE TO GREECE AND TURKEY IN FY '76 SECURITY ASSISTANCE BILL

1. HOUSE INTERNATIONAL RELATIONS COMMITTEE (HIRC) MARCH 18
ADOPTED BY VOICE VOTE AN AMENDMENT (TEXT SEPTEL) THAT
WOULD PERMIT TURKEY TO PURCHASE UP TO \$125 MILLION OF
DEFENSE ARTICLESAND SERVICES FOR CASH OR FINANCED BY CREDIT
AND GUARANTIES DURING PERIOD ENDING SEPTEMBER 30, 1976.
THIS PROVIDES A RELAXATION OF RESTRICTIONS ON TURKEY AS
COMPARED WITH SENATE BILL WHICH DID NOT ALLOW ANY FMS
CREDIT.

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- 2. OTHER PROVISIONS OF AMENDMENT PROVIDE \$50 MILLION GRANT AID FOR BOTH GREECE AND TURKEY, BUT IN CASE OF TURKEY THIS WOULD BE LIMITED BY 620X PROVISIONS WHICH IT IS UNLIKELY COULD BE MET. AN AMENDMENT BY CONGRESSMAN BUCHANAN, WHICH WAS ADOPTED, INCREASED THE \$65 MILLION SECURITY ASSISTANCE LOAN AVAILABLE TO GREECE TO \$90 MILLION.
- 3. COMPROMISE ON ASSISTANCE FOR TURKEY WAS WORKED OUT BETWEEN HAMILTON AND ROSENTHAL WITH LATTER APPARENTLY IN TOUCH WITH BRADEMAS. IN THEIR ORAL REMARKS MEMBERS OF COMMITTEE STRESSED THEIR SUPPORT FOR THIS GESTURE WHICH THEY

HOPED WOULD FACILITATE BOTH CYPRUS NEGOTIATIONS AND US BASE NEGOTIATIONS WITH TURKEY.

- 4. AS BILL READS, THE \$125 MILLION LIMIT ON FMS CASH, CREDITS OR GUARANTIES ENDS SEPTEMBER 30. THEREAFTER THERE IS NO EXPLICIT LIMITATION ON FMS SALES. (COMMERCIAL SALES ARE NOT AFFECTED BY THE AMENDMENT.) DURING COMMITTEE DEBATE HAMILTON, SPEAKING FOR HIS AMENDMENT, ANSWERED IN THE AFFIRMATIVE CONGRESSMAN FASCELL'S QUESTION WHETHER PRESIDENTIAL AUTHORIZATION TO SUSPEND THE RESTRICTIVE PROVISIONS OF SECTION 620X WOULD EXPIRE SEPTEMBER 30, 1976. WE ARE NOW WORKING TO HAVE THIS INACCURATE INTERPRETATION OF THE BILL CORRECTED IN THE COMMITTEE REPORT SO THAT THERE WILL BE NO SUGGESTION THAT TURKEY'S ABILITY TO MAKE FMS PURCHASES WILL EXPIRE SEPTEMBER 30.
- 5. SINCE THIS AMENDMENT REPRESENTS A COMPROMISE OUR ASSUMPTION IS THAT IT WILL OBTAIN WIDE SUPPORT ON THE HOUSE FLOOR. LATER THE SENATE AND HOUSE BILLS WILL HAVE TO BE RECONCILED IN CONFERENCE AND AT THAT TIME THE ADMINISTRATION WILL HAVE AN OPPORTUNITY TO SEEK THE REMOVAL OF LIMITATION ON FMS CASH SALES PRIOR TO SEPTEMBER 30, AND TO MAKE IT CLEAR THAT FMS CASH SALES CONTINUE WITHOUT LIMIT AFTER SEPTEMBER 30 IF THIS AMBIGUITY HAS NOT BEEN STRAIGHTENED OUT IN THE COMMITTEE REPORT ON THE BILL. INGERSOLL

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TAGS: PFOR, TU, GR, US

To: ANKARA

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